

MEDIA RELEASE



**Attention: News Director
For Immediate Release
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**U.S. DEPARTMENT OF JUSTICE
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**FUNDS DISTRIBUTED TO LAW ENFORCEMENT
FROM MONEY AND PROPERTY SEIZED AND FORFEITED IN CONNECTION
WITH THE PROSECUTION OF OWENSBORO PHARMACIST FOR ILLEGALLY
SELLING PRESCRIPTION DRUG SAMPLES**

– Checks totaling \$2,406,705.48 distributed to the McLean County Sheriff, Pennyriple Narcotics Task Force, the Kentucky Board of Pharmacy, and the Cabinet for Health Services’ Drug Enforcement and Professional Practices

David L. Huber, United States Attorney for the Western District of Kentucky, the U.S. Food & Drug Administration - Office of Criminal Investigations, and the U.S. Drug Enforcement Administration jointly announced today that checks totaling \$2,406,705.48 were presented to the McLean County Sheriff, Pennyriple Narcotics Task Force, the Kentucky Board of Pharmacy, and the Cabinet for Health Services’ Drug Enforcement and Professional Practices Branch. The proceeds of the checks will be used for law enforcement purposes in accordance with Asset Forfeiture Fund guidelines, which allow state and local law enforcement agencies to share in forfeited property.

The checks to the McLean County Sheriff, Pennyriple Narcotics Task Force, the Kentucky Board of Pharmacy, and the Drug Enforcement and Professional Practices represent shared proceeds of monies forfeited in connection with the criminal prosecution of **Kenneth Earl Wiggins** of 829 Iron Mountain Road, Hartford, Kentucky, as follows:

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McLean County Sheriff	\$1,265,571.20
Pennyrile Narcotics Task Force	\$ 541,530.54
Drug Enforcement and Professional Practices	\$ 246,583.38
Kentucky Board of Pharmacy	\$ 353,020.36

Wiggins pleaded guilty on June 17, 2005, to illegally selling prescription drug samples to the public through King Drugs pharmacies in Owensboro, Hartford, and Madisonville, Kentucky. On September 23, 2005, the Honorable Joseph H. McKinley, Jr., Judge, United States District Court, sentenced **Wiggins** to 48 months probation, with a condition that 6 months be served as home confinement. Judge McKinley also ordered that **Wiggins** pay a \$30,000 fine and \$63,000 in restitution, which is in addition to the more than \$10,400,000 that **Wiggins** paid as part of his plea agreement and civil settlement.

On June 17, 2005, **Wiggins**, a pharmacist and formerly the principal owner and President of King Drugs, Inc., pled guilty to charges that, beginning in 1999 and continuing through July, 2004, he and others agreed to illegally sell prescription drug samples to the public. During that time, **Wiggins** obtained the prescription drug samples by taking the samples from various doctors and purchasing the samples from others. After obtaining the drug samples, **Wiggins** repackaged them and sold the drug samples to the public through his pharmacies, operating as King Drug, Inc., and through pharmacies owned by others. Throughout this time, **Wiggins** led the public to believe that the drugs they were purchasing were properly obtained and dispensed as required by federal law.

As part of his plea agreement, **Wiggins** agreed to relinquish his right to the proceeds of the fraud in the total amount of \$3,651,919 in two related civil forfeiture actions, voluntarily

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relinquished his pharmacy license, and divested himself of ownership in any pharmaceutical business, including King Drugs, Inc.

In addition to **Wiggins'** criminal sentence, **Wiggins** and King Drugs, Inc. paid \$6,750,000.00 to settle claims that they violated the civil False Claims Act. Of this amount, \$5,340,047.67 was disbursed to the Center for Medicaid and Medicare Services' Healthcare Trust Fund, and \$30,908.33 was disbursed for investigative costs. Proceeds were reimbursed to the following defrauded healthcare programs for damages they sustained as a result of the conduct:

Medicaid (Kentucky's share):	\$408,227.00
Medicaid (Federal share):	\$952,531.00
Tri-Care (Champus):	\$ 10,957.00
Office of Personnel Management:	\$ 7,329.00

In addition to the monetary settlement, **Wiggins** agreed to be excluded permanently from participating in Medicare, Medicaid, and all other Federal health care programs. This exclusion has national effect and applies to all other Federal procurement and non-procurement programs. In addition, King Drugs, Inc. (and its successors, transferees, heirs, and assigns) entered into a five year Corporate Integrity Agreement ("CIA") with the HHS-OIG.

As a result of his conduct, **Wiggins** has paid approximately \$10.5 million to the United States, relinquished his pharmacy license, exited the pharmacy business, and was excluded from participating in Medicare, Medicaid, and all other Federal health care programs.

Finally, this investigation has led to five other convictions, resulting in the additional recovery of nearly \$500,000 in fines, restitution, and forfeitures. Over the past year, four other pharmacists, Darrell Greenwalt, Bernard Coomes, Brice Pendley, and Craig Mullins, along with one

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non-pharmacist, Cynthia Black, have entered pleas of guilty stemming from this investigation. The investigation is ongoing.

United States Attorney Huber praised the collaborative effort of the state and federal agencies involved in this case and the related cases. According to Huber, “This investigation, which, to date, has resulted in 6 convictions and the recovery of about \$11,000,000, would not have culminated in today’s announcement, except for the cooperation of all the agencies involved. Sheriff Cox, the Pennyriple Narcotics Task Force, the Cabinet for Health Services’ Drug Enforcement and Professional Practice Branch, and the Drug Enforcement Administration were instrumental in the detection and early investigation of this complex scheme to defraud the public. The Food & Drug Administration - Office of Criminal Investigations, Health & Human Services - Office of Inspector General, and the Kentucky Board of Pharmacy took the results of that initial investigation and parlayed it into multiple convictions and the ultimate financial recovery.” Huber concluded, “This is Federal-State cooperation at its best. Each agency and department played a critical role. These agencies, and more importantly the investigators that serve them, should be proud of this accomplishment.”

The claims were investigated by the U.S. Food & Drug Administration - Office of Criminal Investigations, U.S. Drug Enforcement Administration, U.S. Department of Health and Human Services - Office of Inspector General, McLean County Sheriff’s Office, Pennyriple Narcotics Task Force, Kentucky Board of Pharmacy, Kentucky Cabinet for Health & Family Services - Drug Enforcement & Professional Practices Branch, and the U.S. Attorney’s Office. Assistant United States Attorneys Eric Long, Benjamin Schechter, and Amy Sullivan handled the criminal aspects, civil component, and civil asset forfeiture actions of this case.

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